

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D. C. 20523

OFFICE OF
THE EXECUTIVE SECRETARY

DOS REVIEWED 19-May-2011: NO OBJECTION TO DECLASSIFICATION.

URGENT

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August 2, 1976

MEMORANDUM FOR MR. C. ARTHUR BORG
Executive Secretary
Department of State

SUBJECT: Briefing Paper for the Secretary's Visit to Iran --
IFAD Contributions

Attached is a background and talking points paper for inclusion in the Secretary's Briefing Book for his trip to Iran. The paper has been cleared by appropriate State Department Bureaus (including Under Secretary Rogers and Mr. Rud Poats) and appropriate Agriculture Department officials. Under Secretary Rogers and Mr. Poats were provided with a draft copy of this paper prior to their departure. This material is provided in compliance with the Secretary's approval of the joint AID/State Action Memorandum of July 23, 1976.

Please let us know if any further information is required.


Caroline D. McGraw
Executive Secretary

Attachments:
Background/Talking Points Paper

AID REVIEWED 05-May-2011: DECLASSIFIED FOR RELEASE IN FULL

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Briefing Paper for the Secretary's Meetings
in Iran--IFAD Contributions

SETTING

Pursuant to the Parker/Rogers memorandum of July 23 on this subject (copy attached at Tab A), the Secretary has agreed to discuss with the Iranians the need for a respectable increase (at least \$50 million) in OPEC member contributions above the \$400 million pledged through the OPEC Special Fund. This paper contains additional information re Congressional consultations and positions of other OECD countries on this issue as well as the recommended talking points.

BACKGROUND/ANALYSIS

On July 28, Dan Parker met informally with five members of the HIRC (Zablocki, Hamilton, Wynn, Gilman and Lagomarsino). These Congressmen encouraged us to do the best we could in securing additional OPEC contributions but stressed that Congress did not intend to insist on a fifty percent OPEC share. They seemed quite sure that an Agreement with \$450 million of contributions from OPEC would be approved by the HIRC.

We have received some additional indications that there is also support in the Senate for reasonable flexibility. We are proceeding with consultations with key Senators to firm up this support.

In summary while we have moved the Hill off the 50/50 split, an OPEC contribution of at least \$450 million will be necessary to obtain final approval in both Houses.

Meanwhile we have received reports from most OECD capitals giving at least preliminary reactions (summary at Tab B) to Secretary-General Waldheim's appeal for additional contributions (Tab C) which went to the Heads of State of all prospective IFAD members. Only the Federal Republic of Germany really takes the line that OPEC must make up the full gap of \$65 million between present pledges (about \$936 million) and the \$1 billion target. A few (e.g.,

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Norway and the Netherlands) indicate possible willingness to increase their contributions. Some are clearly prepared to proceed with the present OPEC pledge or with a relatively modest increase while others, the United Kingdom and the Netherlands, want to know what level of additional OPEC contributions will satisfy the U. S. on the issue of "rough parity."

The following talking points can be used in the Secretary's meetings in Tehran and in any meetings he may have with OPEC leaders. Our judgment is that it will not be easy to persuade the OPEC countries to shift their ground and that exercise of the Secretary's personal influence is essential.

TALKING POINTS

-- IFAD is the realization of a proposal made by the Shah which clearly indicates his foresight and sagacity. Prior to the World Food Conference in 1974, the Shah called for a new international assistance effort to address pressing food problems in the developing world. He recommended a tripartite structure of equal parts consisting of OECD, OPEC and the recipient countries.

-- World Food Conference Resolution XIII which was sponsored by the OPEC countries called for the establishment of an International Fund for Agricultural Development based upon the Shah's formula.

-- Interested member governments in a series of meetings from May 1975 through February 1976, negotiated IFAD's ARTicles of AGREEMENT which provide for a structure with 1,800 votes with each of the three categories, i.e., OECD, OPEC and the recipients, receiving one-third of the votes. It was expected that the two donor groups would share responsibility for financing the \$1 billion IFAD target consistent with the underlying voting structure.

-- In seeking Congressional approval for a \$200 million U. S. contribution, the Administration testified that IFAD was an OPEC initiative and a joint effort by traditional (OECD) and new donors (OPEC) who were expected to provide roughly equivalent shares, i.e., approximately \$500 million, to reach the \$1 billion target.

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-- Congress authorized and appropriated \$200 million with conditions that total contributions reach \$1 billion in convertible currencies and reflect the concept of rough parity between OECD and OPEC. 1/

-- OPEC's contribution of \$400 million is not consistent with the concept of IFAD as envisioned by the Shah, Resolution XIII and the Articles of Agreement voting structure and will not meet the conditions established by Congress for U. S. participation as well as similar conditions of other OECD country pledges.

--In the spirit of an Iranian/U. S. cooperative effort to address one of the most critical global problems--increasing food production in the developing world--we are asking the Shah to take the lead and to supplement the OPEC Special Fund contribution with an additional bilateral Iranian contribution consistent with the leadership he provided for IFAD from the beginning.

-- We propose that His Excellency the Shah join with other OPEC countries in providing another \$50 million to IFAD. With \$450 million from OPEC and \$550 million from other countries, we believe that we will be able to satisfy Congress on the question of rough parity.

-- With the satisfactory resolution of this funding problem IFAD can be launched and we would be prepared and pleased to support a qualified OPEC candidate as President to head up this worthy OPEC initiative.

FYI:

1. We did not suggest asking for more than \$50 million so as to leave room for negotiating because that meant asking OPEC for the entire \$65 million gap. This we felt would be psychologically counterproductive because Secretary-General Waldheim has sent requests to all countries to increase their pledges, not just OPEC.

1/ The authorizing legislation states no funds may be obligated unless "there is equitable burdensharing among the different categories of contributors". At the Executive Branch's request, "equitable" was used rather than "equal" as originally proposed.

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2. Kuwait has been supporting Ibrahim Shahata, recently named Director General of the OPEC Special Fund, for President of IFAD. We hear that Saudi Arabia may also have a candidate. We do not know whether Iran has decided whom it will support.

3. The Iranians are interested in having Tehran designated as the site of IFAD's permanent headquarters, and they may raise this issue. The Articles of Agreement state that temporary headquarters are to be in Rome, and the Italians are highly interested in IFAD remaining in Rome permanently. The Governing Council of IFAD has the responsibility for deciding the permanent site. Given the Italian interest and the fact that all of the preliminary work prior to the first Governing Council meeting will be taking place in Rome, we suggest the Secretary say to the Iranians that the time of IFAD's first replenishment (within three years) would be the appropriate moment to decide IFAD's future, including the issue of its permanent headquarters.

4. We do not recommend using our fallback position on this trip but to save it for a later occasion. The fallback position approved by the Secretary calls for a two-step approach: (a) open the Agreement for signature at \$900 million and reduce the U. S. contribution to \$160 million to bring it in line with OPEC at \$400 million; and (b) agree to provide the remaining U. S. \$40 million at a later date commensurate with additional OPEC and OECD shares to reach the remaining \$100 million.

We are suggesting not going to fallback until other OECD countries also have a crack at OPEC to increase their contributions. Deare, Economic Counselor of the U. K. Embassy in Washington, reported the U. K. is still thinking it through but they would "prefer" going for the \$1 billion target with \$450 million OPEC contribution as satisfying rough parity and that the U. K. would be prepared to make a high-level approach to selected OPEC countries.

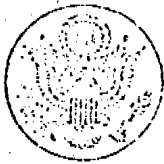
Attachments:

- Tab A - Parker/Rogers Memo to Secretary.
- Tab B - Responses to our Inquiry re
Category I position on Waldheim appeal.
- Tab C - Secretary-General Waldheim's appeal.

Drafted: AID/PPC:PBirnbaum:CSGulick
x20482:8/2/76

Concurrences: State/IO - Dr. Morey (draft)
State/EB/IFD - Mr. Winder (draft)

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DEPARTMENT OF STATE

ACTION MEMORANDUM

s/s PS

7615846

July 23, 1976

To: The Secretary

From: AID - Daniel Parker
E - William D. Rogers

International Fund for
Agricultural Development (IFAD)

The Problem

The UN Conference on the Establishment of IFAD held in Rome on June 10-13 approved the Articles of Agreement and reached agreement on all issues, except the overall level of initial contributions and the proportionality of contributions amongst OPEC, OECD and the U.S.

First, the pledges in Rome were some \$60 to \$65 million short of the \$1 billion target needed to open the Agreement for signature and many were caveated.

Second, the OPEC countries limited their total contributions to \$400 million, whereas we are seeking "rough parity" between OPEC and OECD contributions.

We need your intervention with the key OPEC countries to increase their contributions to at least \$450 million, otherwise Congress may not provide final approval of the Articles of Agreement.

-2-

Background/Analysis

If the funding impasse can be resolved, the Agreement could be signed this fall and IFAD could be functioning by early summer of 1977, with positive impact on North-South relations and OECD-OPEC relations. The realization of many U.S. initiatives for improved North-South relations will take time whereas IFAD is tangible evidence of U.S. bona fides. If this impasse drags on, however, these relationships will be soured, and a significant increment in resources for increased food production would be indefinitely delayed. Or we may be confronted with a funding package agreed to by all other countries but unacceptable to us and find ourselves appearing to be reneging on our support of IFAD.

Congress has moved enthusiastically and quickly on IFAD and appropriated the full \$200 million U.S. contribution even before the Agreement was finalized. The HIRC and the SFRC must still approve the Agreement before we can formally commit our contribution. There are significant Congressional concerns about the proportionality of OPEC vs. OECD contributions and the U.S. share of IFAD funding. The authorization language is very clear that U.S. contribution cannot exceed 20% of the total, however the concept of "rough parity" is undefined. There is a wide range of views with some Congressional supporters insisting on a 50/50 split between OECD and OPEC whereas other members are more flexible. Treasury is insisting on at least \$470 million OPEC contribution.

Pledges to date total about \$935 million (see attachment 1). OPEC members have pledged \$400 million from the OPEC Special Fund with the following conditions: first, the \$400 million "is inclusive of all amounts previously declared by some OPEC member countries as their individual contributions"; second, that their \$400 million pledge was conditioned on the contributions by developed countries of at least \$600 million. Previously Iran and Saudi Arabia had indicated additional bilateral contributions to IFAD of \$20 million and \$50 million respectively.

The OECD countries' pledges total about \$527 million including the \$200 million U.S. pledge. Our pledge and that of several other OECD countries is contingent on reaching the \$1 billion target and "rough parity" between Category I (OECD) and Category II (OPEC) contributors. Although OECD countries were not expecting a 50-50 split, an OPEC contribution of \$400 million is too low in terms of the rough parity of contributions underlying the agreed structure and voting pattern of IFAD. OPEC's response is that their over-all aid-giving performance relative to GNP is much better than the OECD countries and some individual OECD pledges to IFAD, e.g. France at \$25 million, were much too low.

Category III (LDC) contributors have pledged about \$9 million in convertible currencies.

As agreed in Rome, Secretary-General Waldheim has sent messages to Heads of State of all prospective members of IFAD urging increased contributions so he can open the Agreement for signature at the \$1 billion target. If he does not secure additional pledges of \$60-\$65 million by the end of September another meeting of prospective members will be called no later than January 1977 which will attempt to agree on a basis for launching IFAD. Such a conference can modify the requirements for initial contributions and under pressure to get under way might adjust the target downward to the pledges in hand. The OPEC and other OECD countries might well agree. This would leave us in a difficult position, and virtually alone, in having to reduce our \$200 million pledge to meet both legislative requirements regarding the \$1 billion target and Congressional concerns regarding the disproportionate shares of OPEC and OECD.

It is our considered view that a determined U.S. effort is needed now to achieve an acceptable compromise. To do so will require Executive Branch decision on a feasible option for resolving the funding impasse, achievement of an understanding with key Congressional leaders and vigorous efforts to secure agreement with the OPEC members on such a formula. We have cabled OECD capitals soliciting their views on the minimum additional OPEC contributions required.

The Options

1. Holding to the \$1 billion target with U.S. contributing its full \$200 million and active U.S. efforts to secure acceptable additional contributions (at least \$50 million) from OPEC countries with the residual amounts coming from OECD and Category III countries.

The final funding could be as follows:

	(\$ millions)
OPEC Special Fund	(400)
OPEC Countries' Bilateral Contributions	(50-60)
OPEC Sub-total	450-460
OECD Countries	(330-350)
U.S.	(200)
OECD Sub-total	530-550
Recipient Countries' Contributions in Hard Currencies	10-20

Advantages

- IFAD's target of \$1 billion in initial contributions would be attained with \$200 million U.S. contribution as originally planned.
- Additional \$50 million from OPEC or total of \$450 according to our soundings on the Hill might be acceptable, albeit minimally, as satisfying concept of rough parity.

- In approaching individual OPEC countries for additional contributions we may have some useful bargaining chips. Kuwait and Saudi Arabia are interested in the IFAD Presidency and Iran would like IFAD's permanent headquarters to be in Tehran. Rome is the provisional headquarters but Italy is hoping it will be the permanent seat.
- Category III countries, the recipients, would be contributing hard currencies, which is an important self-help action.
- U.S. share of the OECD contribution, originally contemplated at 40%--i.e. \$200/500 million--would be somewhat less, approximately 35%, giving us better burdensharing.

Disadvantages

- OPEC countries may resist strongly what appears as backing down from their formal resolution that the total OPEC contribution will not exceed \$400 million and not be willing to pledge any additional funds at this time.
- The voting structure which provides equal votes between OECD and OPEC would not be directly proportionate to their contributions but some deviation between voting structure and contributions was expected given the concept of "rough parity."

Option 2. This option includes two stages: (1) opening the Agreement for signature at \$900 million and reducing U.S. contribution by some \$40 million to bring it to an acceptable proportion of those of OPEC, OECD and of the total but with little or no cuts by other OECD countries; and (2) agreement to provide the remaining \$100 million at a later date via commensurate U.S., OPEC and OECD shares.

The initial contributions under this option would be as follows:

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	(\$ millions)	
OPEC Special Fund	(400)	400
OECD Countries	(320-330)	
U.S.	<u>(160)</u>	
		480-490
Recipient Countries' Contributions in Hard Currencies		<u>10-20</u>
Total		900

Advantages

- By not pressing now for additional contributions allows OPEC countries to "save face" and to hold to their Special Fund resolution not to provide more than \$400 million to IFAD. After a decent interval, the provision of the remaining \$100 million could be addressed.
- This would be an "improvement" in the burden-sharing for the U.S. from that originally contemplated. Under the \$900 million formula, the U.S. share would be 17-18% rather than 20% of the total initial contributions and approximately 33% rather than 40% of OECD contributions.
- The U.S. contribution would be reduced in the same proportion as the OPEC shortfall and would remain at 40% of the OPEC contribution.

Disadvantages:

- IFAD would not attain its initial target of \$1 billion.
- Other countries--the OECD members, the OPEC and the Group 77 recipients--could assert that the U.S. was reneging on its commitment at the expense of the world food problem and needs of the poor food deficit countries.

- OPEC countries may reject the two-stage formula and refuse to contribute \$400 million in the first go round and/or not participate at all.

Option 3. Leave it to Secretary-General Waldheim to seek additional contributions from the OPEC countries and others. He must not only secure the additional contributions of \$60-\$65 million but also reconcile the conditions attached to many pledges.

Advantages

- We would leave the entire effort to Waldheim and try to put the ball in OPEC court by emphasizing that OECD countries have done their part by pledging some \$530 million.

Disadvantages

- Senators Humphrey, Kennedy and McGee have asked you to personally intervene to solicit additional funds from OPEC and others to meet the deficit. (Attachment 2)
- We run the risk that Waldheim may come up with an unacceptable package--i.e. with no or an insignificant additional OPEC contribution with the OECD countries and the recipients providing the lion's share of the balance needed to reach \$1 billion. In this event OPEC, LDCs and OECD countries would probably be ready to compromise and go forward, whereas the U.S. would be "obstructing" the agreement.
- If Waldheim fails to achieve the \$1 billion target it means further delays and another interested governments meeting in January.

Recommendation:

That you approve holding to the \$1 billion target with the U.S. contributing its full \$200 million and active U.S. efforts to secure acceptable additional contributions of at least \$50 million from OPEC countries (Option 1, favored by AID, EB, IO and Agriculture. Treasury favors holding out for a minimum \$470 million OPEC contribution; however, if you accept this recommended option we will endeavor to bring Treasury around).

JUL 30 1976

Approve HK

Disapprove _____

*with
Option 2
as fallback*

ALTERNATIVELY, that we open the agreement for signature at \$900 million and reduce U.S. contribution by \$40 million to bring it to an acceptable proportion of contributions of OPEC, OECD, and of the total, and seek agreement to provide the remaining \$100 million at a later date via commensurate U.S. and OECD shares (Option 2). (Option 2 can be considered as a valid fallback position if Option 1 is not successful).

Approve _____

Disapprove _____

ALTERNATIVELY, leave the problem to Secretary-General Waldheim of seeking additional contributions from OPEC countries and others (Option 3).

Approve _____

Disapprove _____

Whether you select the preferred Option 1 or Option 2, you should make the appropriate approaches at the highest levels in Iran, Saudi Arabia, Kuwait and Arab Emirates. These approaches should be made during the forthcoming trip to Iran or by personal letter.

JUL 30 1976

Approve approaches being made during your trip HK

JUL 30 1976

Approve approaches being made by personal letter HK

We will provide the appropriate talking points and/or letters.

Attachments:

1. IFAD Convertible Currency Pledges
2. Letter from Senators Humphrey, Kennedy and McGee

Drafted: AID/PPC: CGulick/PBirnbaum
X20482: 7/23/76

Concurrences: IO - PByrne *by PB*
EB/IFD - RRyan *RR*
AGR - MKriesberg *MB*

U.S. \$Million Equivalent 1/Category I

Australia	9.8
Austria <u>2/</u>	4.2
Belgium <u>2/</u>	12.5
Canada	30.7
Denmark	5.0
France	25.0
Germany	52.0
Ireland	0.9
Italy	25.0
Japan <u>2/</u>	52.0
Luxembourg	0.4
Netherlands	36.6
New Zealand	2.0
Norway <u>2/</u>	11.8
Spain <u>2/</u>	2.0
Sweden	22.5
Switzerland	8.0
United Kingdom <u>2/</u>	26.6
United States <u>2/</u>	<u>200.0</u>
	<u>527.0</u>

Category II 3/

Algeria	10.00
Gabon	0.50
Indonesia	1.25
Iran	104.75
Iraq	20.00
Kuwait	36.00
Libya	20.00
Nigeria	26.00
Oatar	9.00
Saudi Arabia	100.00
United Arab Emirates	16.50
Venezuela	<u>56.00</u>
	<u>400.00</u>

Category III

Ghana	0.1
India	2.5
Mexico	5.0
Pakistan	0.5
Sri Lanka	<u>1.0</u>
	<u>9.1</u>

GRAND TOTAL936.1

1/ Valued at 6/10 exchange rates. The \$ value of pledges denominated in other currencies varies somewhat as exchange rates fluctuate.

2/ Contingent upon attaining the \$1 billion target and rough parity between Category I and Category II contributions.

3/ Contingent upon other members providing at least \$600 million.

JAMES C. EASTLAND, MISS., CHAIRMAN
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CHARLES MC C. MATTHEWS, JR., MD.

DALE B. DE HAAN, STAFF DIRECTOR

FRANCIS C. ROSENBERGER
CHIEF COUNSEL AND STAFF DIRECTOR

United States Senate

COMMITTEE ON THE JUDICIARY
SUBCOMMITTEE ON REFUGEES AND ESCAPEES
(PURSUANT TO S. RES. 373, 82ND CONGRESS)
WASHINGTON, D.C. 20510

ACTION
is assigned to

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June 25, 1976

DOCUMENT ANALYSIS

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RECEIVED
DEPARTMENT OF STATE

Honorable Henry A. Kissinger
Department of State
2201 C Street NW
Washington, D.C. 20520

Dear Mr. Secretary:

As you know, the Ministerial Committee for the International Fund for Agricultural Development (IFAD) met in Rome last week to finalize funding and charter arrangements for IFAD.

Unfortunately, the \$1 billion funding level initially sought and agreed to at the World Food Conference was not reached during last week's meeting in Rome. Diplomatic efforts are urgently needed at the highest levels of our Government to solicit funds from OPEC nations and other developed states to meet the deficit in IFAD pledges. Unless this is accomplished there is deep concern among supporters of IFAD in the Congress that the U.S. contribution -- as well as the concept of IFAD itself -- will be placed in jeopardy.

To jeopardize the entire fund because of a deficit of only some \$70 million -- after the international community has come so close toward meeting the IFAD pledge levels -- would be tragic. It is imperative that this small deficit should not stand in the way of hopeful progress toward meeting the critical food needs of hungry nations.

HUBERT H. HUMPHREY
EDWARD M. KENNEDY
GALE W. MCGEE

Honorable Henry A. Kissinger

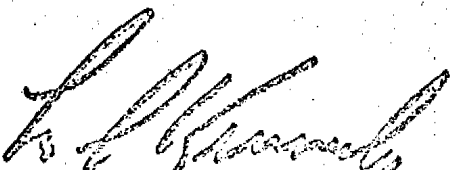
June 25, 1976

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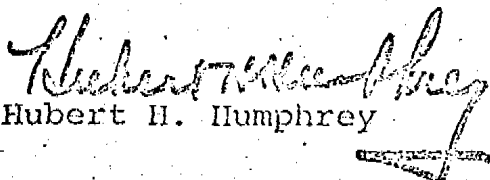
In view of the firm support accorded the U.S. contribution to IFAD in the Congress, and in view of the critical need to move ahead toward implementing the necessary objectives laid forth by the 1974 World Food Conference, we are hopeful that you will lend your good offices to the urgent need to reach the \$1 billion IFAD pledge goal so that the Fund will become operational early next year.

Many thanks, Mr. Secretary, for your consideration of this vital issue of public policy concern.

Sincerely,



Edward M. Kennedy



Hubert H. Humphrey



Gale W. McGee

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July 30, 1976

Responses to date to our inquiry re Category I positions on Waldheim appeal:

1. Australia. Proposing a compromise to close the gap by additional contributions of \$35 million by Category I and \$27 million from Category II.
2. Canada. Initial reaction--should be considered in DAC.
3. Denmark. Nobody home 'til late August.
4. Finland. Unable to contribute this year. Hope to make provision in next year's budget.
5. France. Increase doubtful. "No opinion" on OPEC pledge.
6. Germany. "No possibility" of increase. Clearly up to OPEC to fill \$62 million gap. Doubts usefulness of DAC meeting. Countries concerned about OPEC shortfall should convey views "forcefully" to Waldheim.
7. Ireland. Additional contribution unlikely.
8. Italy. Committed to "rough parity". Might support reducing trigger below \$1 billion. Suggests possible single EC contribution greater than sum of present individual contributions.
9. Japan. (Preliminary) Increase doubtful. Finance Ministry might insist on reduction if U. S. less than \$200 million.
10. Netherlands. We have a very preliminary indication that the Dutch are disposed to respond to Waldheim with some increase but want to know our situation before deciding.
11. New Zealand. No parity conditions. Hope for "amicable" OPEC/U. S. compromise ASAP.
12. Norway. Believe OPEC locked in to \$400 million. Oppose reduction of OECD pledges. Might increase slightly, but reluctant to do so.

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13. Switzerland. Not prepared to increase own IFAD contribution. GOS initially views OPEC contribution \$400 million as reasonable amount which GOS willing accept. Might be willing to join in effort to put pressure on OPEC to increase.
14. United Kingdom. Consider parity issue important. Would probably be willing to join in representations to OPEC countries. Might be able to increase contribution modestly. Want to keep in touch on U. S. thinking and actions.
15. European Community. Netherlands, especially, may be willing to increase. "Real issue" is persuading OPEC to increase. EC Development Council will meet September 19 and will consider IFAD issues.

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TELEGRAM

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ACTION IO-13

INFO OCT-01 ISO-00 EB-07 SP-02 AID-05 NSC-05 CIEP-02
TRSE-00 SS-15 STR-04 OMB-01 CEA-01 AGR-10 COME-00
CIAE-00 INR-07 NSAE-00 L-03 AF-08 ARA-10 EA-09 EUR-12
NEA-10 ABF-01 INRE-00 NSCE-00 SSO-00 USIE-00 /126 W
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TO SECSTATE WASHDC IMMEDIATE 0360
INFO USMISSION GENEVA
AMEMBASSY ROME.

UNCLAS USUN 2946

E.O. 11652: N/A
TAGS: EGEN, EAID, EAGR
SUBJECT: UN SECRETARY-GENERAL WALDHEIM'S REQUEST FOR AN
ADDITIONAL US CONTRIBUTION TO THE INTERNATIONAL FUND FOR
AGRICULTURAL DEVELOPMENT

TRANSMITTED BELOW IS MESSAGE RECEIVED ON JULY 19 FROM
UNSYG WALDHEIM.

QUOTE

HIS EXCELLENCY, MR WILLIAM W. SCRANTON
PERMANENT REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE
UNITED NATIONS
799 UNITED NATIONS PLAZA, NEW YORK, N.Y. 10017

B T
EXCELLENCY, EYE HAVE THE HONOUR TO REQUEST YOU TO TRANSMIT THE
FOLLOWING COMMUNICATION URGENTLY TO HIS EXCELLENCY
MR GERALD R. FORD, PRESIDENT OF THE UNITED STATES OF
AMERICA.
QUOTE

UNCLASSIFIED



Department of State TELEGRAM

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PAGE 02

USUN N 02946 192214Z

EXCELLENCY,

THE UNITED NATIONS CONFERENCE ON THE ESTABLISHMENT OF AN INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT WHICH MET IN ROME FROM 10 TO 13 JUNE 1976, HAS SUCCESSFULLY ADOPTED THE FINAL AGREEMENT ON THE FUND AND SIGNED THE FINAL ACT OF THE CONFERENCE.

THE CONFERENCE WAS UNABLE TO OPEN THE AGREEMENT FOR FINAL SIGNATURE BECAUSE THE PLEDGES RECEIVED, TOTALLING USDOLLARS 937 MILLION, WERE US DOLLARS 63 MILLION SHORT OF THE TARGET OF USDOLLARS 1,000 MILLION IN FREELY CONVERTIBLE CURRENCIES. THE CONFERENCE DECIDED TO AUTHORIZE ME TO SEEK THE DESIRED ADDITIONAL CONTRIBUTIONS IN ORDER TO REACH THE TARGET AND TO OPEN THE AGREEMENT FOR SIGNATURE AS SOON AS INITIAL CONTRIBUTIONS, IN FREELY CONVERTIBLE CURRENCIES, REACH USDOLLARS 1,000 MILLION. IF THIS REQUIREMENT IS NOT MET BY 30 SEPTEMBER 1976, THE PREPARATORY COMMISSION WILL CONVENE, BY 31 JANUARY 1977, A MEETING OF ALL COUNTRIES INCLUDED AS ORIGINAL MEMBERS OF THE FUND TO REDUCE THE TARGET AND ESTABLISH OTHER CONDITIONS FOR OPENING THE AGREEMENT FOR SIGNATURE.

UNTIL NOW, COUNTRIES IN CATEGORY I (MEMBERS OF OECD) HAVE OFFERED USDOLLARS 528 MILLION, AND THOSE IN CATEGORY II (MEMBERS OF OPEC) A TOTAL OF USDOLLARS 400 MILLION. DEVELOPING COUNTRIES IN CATEGORY III HAVE ALSO OFFERED CONTRIBUTIONS TOTALLING USDOLLARS 8.1 MILLION IN CONVERTIBLE CURRENCY, PLUS LOCAL CURRENCIES OF CURRENT VALUE IN EXCESS OF USDOLLARS 5 MILLION.

I AM APPROACHING YOU IN PURSUANCE OF THE MANDATE GIVEN TO ME BY THE CONFERENCE TO SEEK ADDITIONAL CONTRIBUTIONS TO FILL THE GAP OF USDOLLARS 63 MILLION.

IT IS ALREADY HIGHLY ENCOURAGING THAT CATEGORY I COUNTRIES HAVE OFFERED SUCH A SUBSTANTIAL CONTRIBUTION. IT IS MY EARNEST HOPE THAT YOUR GOVERNMENT WILL PLAY A POSITIVE ROLE IN OVERCOMING THIS LAST HURDLE IN THE CREATION OF THE FUND. IN THIS RESPECT, I AM ALSO APPROACHING CATEGORY II COUNTRIES, AS WELL AS CATEGORY III COUNTRIES WHICH HAVE NOT YET OFFERED

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CONTRIBUTION.

THE ESTABLISHMENT OF IFAD IS A UNIQUE VENTURE IN
INTERNATIONAL CO-OPERATION SINCE IT BRINGS TOGETHER THREE GROUPS
OF COUNTRIES INTO A NEW AND CONSTRUCTIVE RELATIONSHIP.
I VERY MUCH HOPE THAT WITH YOUR SUPPORT AND CO-OPERATION THE
FUND WILL SOON BE IN OPERATION.

ACCEPT, EXCELLENCY, THE ASSURANCES OF MY HIGHEST
CONSIDERATION.

KURT WALDHEIM

SECRETARY-GENERAL
UNITED NATIONS

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HIGHEST CONSIDERATION;
KURT WALDHEIM, SECRETARY-GENERAL, UNATIONS

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